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**RECEIVED**  
BEFORE THE ARIZONA CORPORATION COMMISSION

**COMMISSIONERS**

SUSAN BITTER SMITH, Chairman

BOB STUMP

BOB BURNS

DOUG LITTLE

TOM FORESE

2015 FEB 13 P 3:51

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

**DOCKETED**

FEB 13 2015

DOCKETED BY

IN THE MATTER OF THE APPLICATION  
OF GLOBAL WATER -- PALO VERDE  
UTILITIES COMPANY, INC. FOR AN  
EXTENSION OF ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY

DOCKET NO. SW-20445A-14-0291

**AMENDED APPLICATION**

Global Water – Palo Verde Utilities Company, Inc. ("Palo Verde") amends the  
Application filed in this docket on July 30, 2014. The Application covered six properties:

1. City of Maricopa – Estrella Gin
2. City of Maricopa – Eagle Wing PAD
3. Anderson Russell, LLC Property
4. El Dorado Holdings, Inc. – Eagle Wing
5. Santa Cruz Land Development, LLC
6. Pinal County – Maricopa Recycling Center

**ORIGINAL**

In order to expedite consideration of this matter, Palo Verde amends its application to  
exclude properties 2-6 on the list above, leaving only the first property.

That property is the City of Maricopa's Estrella Gin property. The Estrella Gin  
project is a high priority project for the City, and Palo Verde makes this amendment in  
order to focus this docket on the most urgent matters. The City has scheduled Parcels 1  
and 2 of Estrella Gin to be completed and occupied in 2015, and Parcels 3 and 4 to be  
completed and occupied in 2016. Thus, the City has an immediate need for service.

The other properties have a longer development timeframe and will be included a  
subsequent application in a new docket.

1 The original Application as revised by the Response to First Insufficiency Letter  
2 broke the relevant information out by each property. Thus, there is already a separate  
3 engineering report, cost data, request for service, and map for the Estrella Gin property.  
4 For ease of reference, the "Estimated Total Construction Costs and Plant Projections"  
5 (Exhibit 7 to the Application) and "Annual Revenue and Expenses for First Five Years"  
6 (Exhibit 9 to the Application) for the Estrella Gin property only are attached. In addition,  
7 a copy of the legal description for the Estrella Gin property is attached.

8 In light of the City's immediate need for service, Palo Verde requests that the Staff  
9 find this matter sufficient, and that Administrative Law Judge set a prompt hearing in this  
10 matter.

11  
12  
13 RESPECTFULLY SUBMITTED this 13<sup>th</sup> day of February 2015.

14 SNELL & WILMER, LLP

15  
16 By Timothy J. Sabo  
17 Timothy J. Sabo  
18 One Arizona Center  
19 400 East Van Buren Street, Suite 1900  
20 Phoenix, Arizona 85004

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28  
*Attorneys for Global Water – Palo Verde  
Utilities Company*

1 Original +13 copies of the foregoing  
2 filed this 13<sup>th</sup> day of February 2015, with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington  
6 Phoenix, AZ 85007

7 Copies of the foregoing hand-delivered/mailed  
8 this 13<sup>th</sup> day of February 2015, to:

9 Lyn A. Farmer, Esq.  
10 Chief Administrative Law Judge  
11 Hearing Division  
12 Arizona Corporation Commission  
13 1200 West Washington  
14 Phoenix, AZ 85007

15 Janice Alward, Esq.  
16 Chief Counsel, Legal Division  
17 Arizona Corporation Commission  
18 1200 West Washington  
19 Phoenix, AZ 85007

20 Steven M. Olea  
21 Director, Utilities Division  
22 Arizona Corporation Commission  
23 1200 West Washington  
24 Phoenix, AZ 85007

25 By *Jacky Howard*

Palo Verde Utilities Company  
 CC&N Expansion 2014  
 Project Statement of Income

Line No:	Description:	2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5
1	Wastewater Revenue \a					
2	Residential	\$ -	\$ -	\$ -	\$ -	\$ -
3	Commercial	12,390	62,068	86,982	115,094	137,495
4	Industrial	182	987	1,428	1,967	2,430
5	Irrigation	-	-	-	-	-
6	Establishment fee	152	607	303	341	271
7	Recycled Water Revenues	7,343	36,859	51,865	68,882	82,605
8	<b>Total Estimated Revenues</b>	<b>20,067</b>	<b>100,522</b>	<b>140,579</b>	<b>186,285</b>	<b>222,801</b>
9						
10	Employee Labor					
11	Pumping Power \1	159	794	1,111	1,468	1,752
12	Chemicals \1	84	422	591	781	932
13	Repairs & Maint \1	34	170	238	314	375
14	Insurance \1	28	141	197	260	310
15	Contract Services Fathom \2	15	76	106	140	167
16	Rent Expense Equip \1	4	21	29	38	46
17	Bad Debt Expense \1	15	77	108	142	170
18	Maricopa MOU \1	75	373	522	690	823
19	Postage & Mailing \1	1	3	4	5	6
20	Phone Services Expense \1	1	3	4	5	6
21	Computer Repair & Maint \1	1	3	4	5	6
22	Office Supplies Misc \1	3	13	19	25	29
23	Banking fees \1	6	28	39	51	61
24	Transportation \1	19	93	130	172	205
25	<b>Total Variable Costs</b>	<b>443</b>	<b>2,215</b>	<b>3,101</b>	<b>4,097</b>	<b>4,889</b>
26						
27	Depreciation \3	195	8,319	27,498	46,435	65,357
28	CIAC Amort \4	\$ -	(3,575)	(12,513)	(21,450)	(30,388)
29	Property Taxes \5	1,686	5,065	7,313	11,967	15,391
30	Income Taxes \6	6,677	32,948	42,881	54,071	62,380
31	<b>Total Other Expenses</b>	<b>8,557</b>	<b>42,757</b>	<b>65,180</b>	<b>91,023</b>	<b>112,740</b>
32						
33	<b>Total Operating Expenses</b>	<b>9,000</b>	<b>44,972</b>	<b>68,281</b>	<b>95,120</b>	<b>117,629</b>
34						
35	<b>Operating Income (Expense)</b>	<b>\$ 11,067</b>	<b>\$ 55,550</b>	<b>\$ 72,298</b>	<b>\$ 91,164</b>	<b>\$ 105,172</b>

\a - Based on customer growth and average revenue for typical meter

\1 - Based on 2013 average cost per account multiplied by estimated new connections.

\2 - Based on per connection FATHOM fee

\3 - Based on plant estimate & authorization depreciation rates

\4 - Based on customer growth at current HUF

\5 - ADOR property tax calculation

\6 - Based on composite rate last rate case

Line No:

	2015	2016	2017	2018	2019
	Year 1	Year 2	Year 3	Year 4	Year 5
Customer Additions:					
Residential	0	0	0	0	0
Commercial	3	11	6	6	5
Industrial					
Irrigation	1	6	3	3	3
Total	4.33	17.33	8.67	9.75	7.75
Incremental Revenue:					
Residential	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial	\$ 12,390	\$ 49,678	\$ 24,914	\$ 28,112	\$ 22,400
Industrial	\$ 182	\$ 805	\$ 441	\$ 539	\$ 462
Irrigation	\$ -	\$ -	\$ -	\$ -	\$ -

[illegible]

Wastewater Revenue	2013 Revenue	Active Connections 12/31/2012	Active Connections 12/31/2013	Average Connections during 2013	Revenue per Avg Connection						
					2015	2016	2017	2018	2019	2020	2021
Residential	\$ 12,623,218	16,197	16,893	16,545	\$ 790.01	\$ 819.92	\$ 830.10	\$ 843.14	\$ 856.19	\$ 869.24	\$ 762.96
Commercial	\$ 558,749	130	132	131	\$ 4,265.26	\$ 4,322.21	\$ 4,332.39	\$ 4,345.44	\$ 4,358.48	\$ 4,371.53	\$ 4,265.26
Industrial	\$ 351	-	10	5	\$ 97.17	\$ 124.21	\$ 137.26	\$ 150.30	\$ 163.35	\$ 176.40	\$ 70.12

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1
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**New Rates by year using Test Year (not cumulative)**

	2011 TY Connections	2011 TV Revenue	2015	2016	2017	2018	2019	2020	2021
Valencia Water Co	5,343	4,940,316	\$ 126,277	\$ 126,277					\$ 252,554
Water Utility of Greater Buckeye	627	462,043	\$ 4,545	\$ 4,644					\$ 9,289
Water Utility of Greater Tonopah	324	207,705	\$ 99,992	\$ 99,991					\$ 199,983
Willow Valley Water Co	1,502	702,652	\$ 202,135	\$ 202,134					\$ 404,269
Water Utility of Northern Scottsdale	76	147,513	\$ -	\$ -					\$ -
sub-total WVR revenue	7,872	\$ 6,460,229	\$ 433,049	\$ 433,046	\$ -	\$ -	\$ -	\$ -	\$ 866,095
Manicopa/CG Region connections									
Santa Cruz Water Co - North	16,028	10,463,460	\$ 554,487	\$ 358,411	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 1,556,048
Palo Verde Utilities Co - North	15,831	13,107,528	\$ 428,148	\$ 428,150	\$ 206,528	\$ 206,528	\$ 206,528	\$ 206,528	\$ 1,889,938
sub-total MCGR revenue	31,859	\$ 23,570,988	\$ 982,635	\$ 786,561	\$ 335,158	\$ 335,158	\$ 335,158	\$ 335,158	\$ 3,444,986
total connections	39,731	\$ 30,031,217	\$ 1,415,684	\$ 1,219,607	\$ 335,158	\$ 335,158	\$ 335,158	\$ 335,158	\$ 4,311,081
total connections		\$ 30,031,217	\$ 1,415,684	\$ 2,635,291	\$ 2,970,449	\$ 3,305,607	\$ 3,640,765	\$ 3,975,973	\$ 4,311,081

Annual additional cumulative revenue per connection

	2015	2016	2017	2018	2019	2020
Mariopa/CG Region connections						
Santa Cruz Water Co - North	\$ 34.59	\$ 56.96	\$ 64.98	\$ 73.01	\$ 81.03	\$ 89.06
Palo Verde Utilities Co - North	27.04	54.09	67.14	80.18	93.23	106.27
<i>sub-total MCGR revenue</i>	30.84	55.53	66.05	76.57	87.09	97.61
<i>total connections</i>	35.63	66.33	74.76	83.20	91.64	100.07

Total Variable Costs (excluding allocated Personnel Costs)

	2013 Expense Amount	Active Connections 12/31/2012	Active Connections 12/31/2013	Average Connections during 2013	Revenue per Avg Connection	2015	2016	2017	2018	2019
Pumping Power	\$ 611,106	16,327	17,035	16,681	\$ 36.63	158.75	793.76	1,111.26	1,468.45	1,752.22
Chemicals	\$ 325,195	16,327	17,035	16,681	\$ 19.49	84.48	422.39	591.35	781.42	932.43
Repairs & Maint	\$ 130,878	16,327	17,035	16,681	\$ 7.85	34.00	169.99	237.99	314.49	375.26
Insurance	\$ 108,217	16,327	17,035	16,681	\$ 6.49	28.11	140.56	196.79	260.04	310.29
Contract Services Fathom	\$ 406,979				\$ 3.50	15.17	75.83	106.17	140.29	167.40
Rent Expense Equip	\$ 15,892	16,327	17,035	16,681	\$ 0.95	4.13	20.64	28.90	38.19	45.57
Bad Debt Expense	\$ 59,178	16,327	17,035	16,681	\$ 3.55	15.37	76.86	107.61	142.20	169.68
Maricopa MOU	\$ 287,169	16,327	17,035	16,681	\$ 17.22	74.60	373.00	522.20	690.05	823.39
Postage & Mailing	\$ 1,944	16,327	17,035	16,681	\$ 0.12	0.50	2.52	3.53	4.67	5.57
Phone Services Expense	\$ 1,944	16,327	17,035	16,681	\$ 0.12	0.50	2.52	3.53	4.67	5.57
Computer Repair & Maint	\$ 1,944	16,327	17,035	16,681	\$ 0.12	0.50	2.52	3.53	4.67	5.57
Office Supplies Misc	\$ 10,222	16,327	17,035	16,681	\$ 0.61	2.66	13.28	18.59	24.56	29.31
Banking fees	\$ 21,423	16,327	17,035	16,681	\$ 1.28	5.57	27.83	38.96	51.48	61.42
Transportation	\$ 71,637	16,327	17,035	16,681	\$ 4.29	18.61	93.05	130.27	172.14	205.40
	\$ 2,053,725				\$ 102	\$ 443	\$ 2,215	\$ 3,101	\$ 4,097	\$ 4,889







# GLOBAL WATER- PALO VERDE UTILITY COMPANY CC&N EXPANSION ESTIMATED OFFSITE SEWER INFRASTRUCTURE COSTS

ESTRELLA GIN					
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
No Offsite Infrastructure required					

**GLOBAL WATER-PALO VERDE UTILITY COMPANY CC&N EXPANSION  
ESTIMATED ONSITE SEWER INFRASTRUCTURE**

<b>ESTRELLA GIN</b>						
<b>Phase 1 On-Site Sewer System</b>	<b>Quan</b>	<b>Units</b>	<b>Unit Price</b>	<b>Total</b>	<b>NARUC</b>	<b>NARUC TOTAL</b>
12" SDR 35	540	LF	\$ 75.00	\$ 40,500.00	361	
8" SDR 35	460	LF	\$ 60.00	\$ 27,600.00	361	
48" Manhole	4	Ea	\$ 2,000.00	\$ 8,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 6,350.00	361	\$ 82,450.00
6" Services	30	Ea	\$ 500.00	\$ 15,000.00	363	\$ 15,000.00
<b>TOTAL PHASE 1</b>				<b>\$ 97,450.00</b>		<b>\$ 97,450.00</b>

<b>ESTRELLA GIN</b>						
<b>Phase 2 On-Site Sewer System</b>	<b>Quan</b>	<b>Units</b>	<b>Unit Price</b>	<b>Total</b>	<b>NARUC</b>	<b>NARUC TOTAL</b>
12" SDR 35	485	LF	\$ 75.00	\$ 36,375.00	361	
8" SDR 35	950	LF	\$ 60.00	\$ 57,000.00	361	
48" Manhole	8	Ea	\$ 2,000.00	\$ 16,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 6,737.50	361	\$ 116,112.50
6" Services	30	Ea	\$ 500.00	\$ 15,000.00	363	\$ 15,000.00
<b>TOTAL PHASE 2</b>				<b>\$ 131,112.50</b>		<b>\$ 131,112.50</b>

<b>ESTRELLA GIN</b>						
<b>Phase 3 On-Site Sewer System</b>	<b>Quan</b>	<b>Units</b>	<b>Unit Price</b>	<b>Total</b>	<b>NARUC</b>	<b>NARUC TOTAL</b>
12" SDR 35	365	LF	\$ 75.00	\$ 27,375.00	361	
8" SDR 35	445	LF	\$ 60.00	\$ 26,700.00	361	
48" Manhole	2	Ea	\$ 2,000.00	\$ 4,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 4,687.50	361	\$ 62,762.50
6" Services	31	Ea	\$ 500.00	\$ 15,500.00	363	\$ 15,500.00
<b>TOTAL PHASE 3</b>				<b>\$ 78,262.50</b>		<b>\$ 78,262.50</b>

# GLOBAL WATER- PALO VERDE UTILITY COMPANY CC&N EXPANSION ESTIMATED PLANT PLANT COSTS

CAMPUS 1 EXPANSION						
Item Desc	Quantity	Units	Total	NARUC	NARUC TOTAL	
Structures & Improvements	1	ls	\$ 1,500,000.00	354	\$ 1,500,000.00	
Power Generation Equip	1	ls	\$ 750,000.00	355	\$ 750,000.00	
Pumping Equipment	1	ls	\$ 2,500,000.00	371	\$ 2,500,000.00	
Treatment and Disposal	1	ls	\$ 3,500,000.00	380	\$ 3,500,000.00	
Other Plant and Misc Equipment	1	ls	\$ 750,000.00	389	\$ 2,100,000.00	
Engineering and Permits	15%	ls	\$ 1,350,000.00	389	\$ 2,100,000.00	
			<b>Total \$ 10,350,000.00</b>		\$ 10,350,000.00	

Total sewer flow at full build out	101,200 gpd	
Industry standard- \$/gallon	\$ 10.00 per gallon	
	\$ 1,012,000.00	

PVUC CC&N Expansion- 2014  
Demand and Meter Count Tables

Estrella Gin

Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	0.00	1,125	-	-	0	0
Commercial	22.00	2,800	61,600	1,848,000	43	43
Industrial	22.00	1,800	39,600	1,188,000	22	22
	44.00		101,200	3,036,000	65	65

**LEGAL DESCRIPTION**

**CITY OF MARICOPA**

**DEVELOPMENT NAME: ESTRELLA GIN**

**EXHIBIT A**  
**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PINAL, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

The Northeast quarter of the Southwest quarter; AND the Southeast quarter of the Northwest quarter of Section 21, Township 4 South, Range 3 East of the Gila and Salty River Meridian, Pinal County, Arizona, lying North of the Southern Pacific Railroad right of way.

Except those portions conveyed to Pinal County, Arizona in Quit Claim Deeds recorded in Docket 973, Page 345 and Docket 1018, Page 934; and

ALSO Except that portion described as follows:

Commencing at the Northwest corner of the Southeast quarter of the Northwest quarter of said Section 21;

Thence South along the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 945.00 feet to the TRUE POINT OF BEGINNING;

Thence East along a line perpendicular to said West line, a distance of 70.00 feet to a point on a line 70 feet East of and parallel with the West line of the Southeast quarter of the Northwest quarter of Section 21;

Thence South along said line, a distance of 50.00 feet;

Thence West along a line perpendicular to the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 70.00 feet to a point on said West line;

Thence North along the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 50.00 feet to the POINT OF BEGINNING; and

ALSO Except that portion described as follows:

Commencing at the Arizona Department of Transportation aluminum cap in handhole marking the North quarter corner of said Section 21 from which the Arizona Department of Transportation aluminum cap in handhole marking the Northeast corner of said Section 21 bears North 89 degrees 38 minutes 51 seconds East, a distance of 2714.34 feet;

Thence South 00 degrees 31 minutes 04 seconds East, along the North-South mid-section line of said Section 21, a distance of 2066.95 feet to the TRUE POINT OF BEGINNING;

Thence continuing South 00 degrees 31 minutes 04 seconds East, along said North-South mid-section line of said Section 21, a distance of 563.37 feet to the 1 ¼ inch iron pipe marking the center of said Section 21;

Thence South 89 degrees 53 minutes 52 seconds West, along the East-West mid-section line of said Section 21, a distance of 30.00 feet to a point on a line which is parallel with and 30.00 feet Westerly, as measured at right angle from the North-South mid-section line of said Section 21;

Thence North 00 degrees 31 minutes 04 seconds West, along said parallel line, a distance of 371.06 feet to the beginning of a tangent curve of 630.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 17 degrees 45 minutes 10 seconds, a distance of 195.20 feet to the POINT OF BEGINNING.

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